

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of
Friday, May 1, 2015

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Nowak, Commissioner Montgomery and Commissioner Huebsch.

Minutes

The Commission approved the minutes of the open meeting of Thursday, April 23, 2015.

5-GF-253 – Joint Application of Northern States Power Company-Wisconsin and St. Croix Valley Natural Gas Co., Inc., for Approval of the Territorial Agreement of August 8, 2014, and Transfer of Residential Gas Customers to St. Croix Valley Natural Gas Co., Inc., in the Town of Troy, St. Croix County, Wisconsin

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

5-WI-104 – Investigation into the Methods Used by Wisconsin's Water Utilities in Allocating Public Fire Protection Costs

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3720-WI-103 – Investigation of Milwaukee Water Works, Milwaukee County, Wisconsin, with Regard to the Allocation of Public Fire Protection Costs

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3360-WR-102 – Application of Maribel Municipal Water and Sewer Utility, Manitowoc County, Wisconsin, for Authority to Increase Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

5240-WR-101 – Application of St. Joseph Sanitary District #1, La Crosse County, Wisconsin, for Authority to Increase Water Rate

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6690-GF-124 – Application of Wisconsin Public Service Corporation for a Gas Risk Management Program

The Commission approved the request filed on behalf of Wisconsin Public Service Corporation (WPSC) to extend approval of its natural gas utility's risk management plan to May 27, 2016. The Commission further required WPSC to continue to abide by the conditions contained in the prior Final Decision issued in this docket, dated May 5, 2010.

The Commission directed the Gas and Energy Division to draft an order in this docket, consistent with its decision.

5-GF-107 – Administration of the Universal Service Fund Grant Program for Access Programs or Projects by Non-Profit Groups

The Commission approved the Notice of Investigation and Request for Comments and directed it be signed by the Secretary to the Commission on behalf of the Commission.

137-CE-166 – Application of American Transmission Company, as an Electric Public Utility, for Authority to Construct and Place in Service Facilities for the Proposed North Appleton to Morgan (Bay Lake) Project, including Expanding the 345/138 kV North Appleton Substation Located in Outagamie County, Wisconsin; New 138 kV and 345 kV Transmission Lines from the Expanded North Appleton Substation to an Expanded Morgan Substation in Oconto County, Wisconsin; and Associated Substation Facilities in Brown, Kewaunee, Marinette, Oconto, Outagamie, Shawano, and Winnebago Counties, Wisconsin, and Dickinson County, Michigan

The Commission discussed this matter, determined that it was in the public interest to approve the application filed on behalf of the American Transmission Company (ATC) to construct and place in service facilities for the proposed Bay Lake project, as modified, and made the following additional determinations:

1. If constructed, the project will meet the needs of the public by ensuring reliability in the supply of electricity and providing a measure of economic benefit.
2. No energy priority options under Wis. Stat. §§ 1.12(4) and 196.025(1) have been demonstrated to be reasonably available (now or in the near-term) or sufficient to be an alternative to building the proposed project.
3. The proposed project will not have a material adverse impact on competition in the wholesale electric service market.

4. The 345 kilovolt (kV) and 138 kV transmission lines and structures and their rights-of-way (ROW) shall run side-by-side between the North Appleton and Morgan Substations.
5. The proposed project will not unreasonably interfere with the orderly land use and development plans in the project area.
6. The following route segments shall be the authorized route:
S1-C3-N17-N18-N13-N6-N16.
7. ATC shall double-circuit according to option 08.02-5 to mitigate impacts on S1.
8. Route modification 02.01 is reasonable to mitigate impact on C3. ATC shall consult with the Wisconsin Department of Transportation regarding the St. Augustine Road overpass.
9. ATC shall double-circuit according to option 08.02-1 and supplemental option 08.02-1 to mitigate the impacts on N6.
10. ATC shall use the Benson Lake-North Substation location.
11. Other than those conditions typically included in Commission construction orders, the following conditions shall apply to the construction of this project:
 - a. ATC shall follow the local municipal requirements for health, safety, and environmental protections that can be met. ATC shall, for example, follow applicable Outagamie County storm water management maintenance requirements that are more stringent than the state requirements.
 - b. ATC shall work with landowners to accommodate their needs, to the extent practicable, regarding the placement of facilities on their properties, including the location of off-ROW access roads.
 - c. ATC shall obtain new easements from landowners with ROW for this project, regardless of whether the ROW is entirely new or shared with existing ATC ROW.
 - d. ATC shall ensure that landowners who will provide easements for the project are informed of and provided with a copy of the landowner rights listed in Wis. Stat. § 182.017 and that the landowner may waive rights conferred by the statute.

- e. ATC shall work with residents to detect and reasonably mitigate interference with radio and television signals, as required by Wis. Stat. § 182.017(7)(g) and Wis. Admin. Code § PSC 113.0707.
- f. In areas that are part of the Wisconsin Department of Natural Resources (WDNR) Arsenic Advisory Area in the south and central sections, ATC should, in consultation with the WDNR, investigate methods of construction that avoid or mitigate the potential to release arsenic into the groundwater through blasting or drilling activities. ATC shall work with the WDNR to determine best practices for the mitigation or avoidance of arsenic in groundwater.
- g. ATC shall notify the affected communities and landowners of a range of dates and times when helicopters will be in operation on the project.
- h. ATC shall coordinate trail use and develop a safety plan with appropriate state and county officials, and local snowmobile clubs.
- i. ATC shall spread upland excavated or augered soils in a thin and stabilized manner within the ROW, spread at another location in agreement with the landowner, or haul the soils off-site.
- j. ATC shall work with property owners to take advantage of access opportunities that further reduce potential impacts to waterways and wetlands, including identification of alternate access routes, provided that the landowner voluntarily grants access, to further reduce the use of waterway crossings, if practicable.
- k. ATC shall submit a revegetation plan consistent with its approved vegetation management plans to ensure reliability. This plan shall include ongoing monitoring to ensure revegetation and to minimize erosion. For disturbed areas, the revegetation plan, to the extent practicable, shall take into account erosion control, reliance on existing seed bank, matching surrounding vegetative communities, restoration requirements, site conditions and landowner input. The revegetation plan shall also include monitoring of the ROW for the presence of new or spreading invasive species for at least three growing seasons, with results submitted to Commission staff annually.
- l. ATC shall comply with Wis. Admin. Code ch. NR 40 by implementing Best Management Practices (BMP) when encountering species listed as “Restricted” or “Prohibited.” Standard BMPs have been developed to avoid and minimize the spread of NR 40 listed species. Additional evaluation will

be conducted on the ordered route to further identify where site specific BMPs are appropriate. Appropriate BMPs will be incorporated into Environmental Access Plans and implemented during construction.

- m. ATC shall consult with the United States Fish and Wildlife Service and WDNR to determine the appropriate types and locations of bird diverters to use in the areas designated as Migratory Bird Concentration Sites and Migratory Bird Concentration areas.
- n. ATC shall work with the WDNR Natural Heritage Conservation program to develop plans for additional surveys and mitigation strategies for areas along the approved route where information is lacking for existing and potential habitats for rare species.
- o. ATC shall design and construct the project facilities to minimize the potential for induction issues so that the project does not elevate neutral-to-earth voltage levels above those specified by the Commission, and shall work with the owners of potentially impacted facilities to address their concerns, including coordinating with the local distribution companies to perform pre- and post-construction testing of potentially impacted facilities if necessary to ensure that no adverse impacts result.
- p. ATC shall consult with the County Conservationists in the counties in which the project would have an effect to ensure that construction proceeds in a manner that minimizes drainage problems, crop damage, and soil erosion.
- q. ATC shall consult with all affected farmland owners and operators to determine, to the extent practicable, the least damaging locations for transmission support structures.
- r. ATC shall work with operators of irrigation systems, to the extent practicable, to avoid impacts from project facilities on operations of those systems and to notify Commission staff of any proposed modifications. For farms that have pivot irrigation systems near the proposed line, ATC shall adjust the structure location and line placement, to the extent practicable.
- s. ATC shall consult with relevant Drainage Boards to ensure that construction will not permanently disrupt any drainage districts.

- t. ATC shall work with operators of organic farms and determine the most effective techniques for minimizing the likelihood of injury to crops or loss of organic certification from herbicide application by the ATC.
- u. If ATC removes any existing power line support structures within or immediately adjacent to cropland, it should remove all of the support structure and replace it with clean fill to the level in the adjacent soil where the topsoil begins. Imported topsoil of similar quality to the adjacent topsoils should then be placed over the remainder of the hole. If a support structure cannot be completely removed from cropland, the remaining structure should not interfere with normal farming practice.
- v. ATC shall hire an agricultural specialist that would work and report to the applicant.
- w. ATC shall conduct pre-construction farm interviews and combine the results with the landowner response section of the Agricultural Impact Statement (AIS) to make the project bid packages and line lists fit farm situations more accurately.
- x. ATC shall ensure that its contractors and subcontractors incorporate all necessary site-specific easement conditions to protect agricultural resources as well as all statutory requirements and Commission certification conditions regarding agricultural land protection into their construction line lists, and into any bid documents for the project.
- y. ATC shall avoid or minimize the loss of tillable land and associated interference with agricultural equipment operation and, if conflicts occur, work with the property owners or farm operator during the real estate acquisition process to accommodate field needs, to the extent practicable.
- z. ATC shall coordinate with each agricultural landowner regarding field operations, locations of farm animals and crops, current farm biological security practices, landowner concerns, and use of access routes, identifying potential impacts to each farm property and, where practicable, construction impact minimization measures to be implemented.
- aa. ATC shall provide appropriate compensation to a landowner if the landowner must reimburse the Farm Service Agency or WDNR for crop programs, Conservation Reserve, or Managed Forest Law lands compromised because of the project.

- bb. ATC shall give advance notice of acquisition and construction schedules so that farm activities can be adjusted accordingly and farm or field damage or disruption can be minimized.
 - cc. ATC shall restore all rutted and otherwise affected soils as soon as practicable.
 - dd. ATC shall test the soil profile after construction is complete to determine whether the soils in the ROW have been compacted, and to correct the compaction problem if there is one.
 - ee. ATC shall do post-construction monitoring to ensure that no long-term damage to agricultural fields along the project has occurred, for a minimum of two years after construction is completed. ATC shall inform the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) AIS staff of all results and associated reporting.
 - ff. ATC shall provide phone and e-mail contact information for landowners to use it if impacts from the project arise or continue after project completion.
12. ATC shall engage with Commission staff in a vegetation management dialogue that shall encompass a full explanation and justification by ATC of its vegetation management practices as well as its responses to issues raised in the record in this proceeding, including but not limited to, landowner communication, wire zone-border zone technique, post-construction procedures that consider reliability, safety, landowner and environmental impacts, training of project subcontractors, technological tools used to monitor vegetation growth, conditions where exception to standard practice is allowed, and other issues. The results of this dialogue shall be reported to the Commission within 180 days from the effective date of the Final Decision in this proceeding. Within 120 days after initiation of this dialogue, ATC shall work with Commission staff to develop informational materials about the practices and procedures to be distributed to affected landowners.
13. ATC shall assist Commission staff in the preparation of a request for proposal (RFP) to hire an independent environmental monitor (IEM(s)). The RFP is to be issued by the Commission in consultation with ATC, WDNR, and DATCP. ATC is to fund the salaries and expenses of the IEM(s). The IEMs will report to and consult with Commission, WDNR, and DATCP to ensure that all environmental permits are adhered to. IEMs are to have stop work authority under the same conditions as other recent 345 kV transmission projects, including the authority to stop work on any construction spread if the work would violate the Final Decision or any regulatory permit condition. Also, DATCP should have an informational role and be permitted

- to provide assistance in the development of the RFP for the IEM(s) to ensure that the IEM(s) hired would have expertise in agricultural issues. The RFP should encourage the same person(s) to serve as IEMs and agricultural monitor, though the IEM would not have stop work authority when acting in an agricultural capacity. The RFP shall include the scope of duties, responsibilities, and authority of each individual.
14. ATC is allowed minor routing adjustment (MRA) flexibility consistent with that granted in previous 345 kV dockets, provided the applicants follow the process and communications required in those previous dockets. Where woodlands cannot entirely be avoided, ATC may use the MRA process where reasonably practicable to mitigate woodlands fragmentation.
 15. ATC's proposed basis for determining the annual fee and one-time environmental impact fee is acceptable.
 16. Socio-economic factors, such as alleged effects on property values, health effects and aesthetic values, were appropriately considered in the analysis for the proposed project.
 17. The Commission has complied with the Wisconsin Environmental Policy Act pursuant to Wis. Stat. § 1.11 and Wis. Admin. Code ch. PSC 4.
 18. ATC shall be granted a certificate of public convenience and necessity for the proposed project, subject to conditions.

The Commission directed the Gas and Energy Division to draft an order in this docket, consistent with its discussion. The order shall be returned to the Commission for final review and approval.

The Commission adjourned the meeting at 12:08 p.m.

Sandra J. Paske
Secretary to the Commission

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